

of anthrax. Two envelopes directed at this very Senate Chamber, which were never opened, resulted in tragic loss of life by postal workers and others. That was just two little envelopes, not vials, not tons, which he possesses.

These are the threats that concern me. Time is not on our side. It is on Saddam Hussein's side. So I welcome the debate, if it is to come, and I hope those questions which I have posed today can be answered.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

TAX CUTS ARE NOT THE PROBLEM

Mr. BENNETT. Mr. President, throughout the day today there has been a lot of discussion of the President's State of the Union Message. I was interested in the comment that was in the press this morning that said the President gave two speeches.

The first one has been virtually forgotten. The first one was on our domestic issues, on our economy, on what we need to do to deal with some of our problems at home. I think the Senator from Virginia has appropriately and properly addressed the question of the second speech which had to do with Iraq, but since much of the rhetoric we have heard today has had to do with the deficit and attacks on the President's first speech, I will take a few minutes to go back to that first speech, that forgotten speech, the first half of the President's statement on the state of the Union, and talk about some economic impact of what would happen if we were to do what the President wanted us to do.

From the rhetoric we have heard today, all of our problems stem from one thing and one thing only, and that is the tax cut that passed very strongly in this Chamber and in the other body when the Presidency of George W. Bush began. If we had only not passed that tax cut, we would not have a deficit. If we had only not passed that tax cut, we would have enough money to fund everything. If we had only not passed that tax cut, somehow Medicare would be taken care of as far as the eye can see and Social Security would be secure forever. Everything stems from that terrible tax cut.

I remind us once again of a few fairly basic, fundamental truths.

We can choose, at least for a time, what level of expenditures we will have in the Federal Government. We can get carried away with our ability to make pledges for expenditures, and we can set the level wherever we want. We cannot choose, by legislative fiat, the level of revenue that will come to pay for that level of expenditure, because the level of revenue goes up and down as the economy prospers or falters.

I have seen examples of countries in Africa that laid out a budget of expenditures that was absolutely marvelous in all of the benefits that would come from their government spending on

this and that and the other thing. Anything that anybody wanted, the government promised to take care of them. But they discovered the fundamental truth I have just stated: They could set the level of expenditures pretty much where they wanted, but with their economy not producing any money their level of taxation came nowhere near the level of expenditure. We must ask ourselves, what is going to happen to the economy if the proposal that the President's tax cut be repealed should pass? That question was put to Alan Greenspan, the chairman of the Federal Reserve Board, and he answered in a way that requires a little careful attention, because some people picked up on his answer and said: Aha, Greenspan has said there will be no economic impact if the tax cuts are repealed.

This is what he actually said—I do not have his exact words to quote, but in effect he said the markets have already assumed the tax cut will stay and indeed will be made permanent. Therefore, there is no further stimulus to come out of these tax cuts.

So everybody says the tax cuts were not stimulative. However, he went on to say—and this paragraph they do not quote—if they were now repealed, the markets would react negatively. Having made the assumption that they will be permanent, the market would react negatively and the economy would be hurt.

I raise that bit of history because I ask this rhetorical question: If the market has already assumed the tax cuts and acted favorably and positively to that assumption, what would happen if those tax cuts were not repealed, as some people in this Chamber charge, but were produced more rapidly, accelerated, rather than repealed? I think the market would respond positively. Say our first assumption that says they are going to remain permanent is not only proven valid by this but we will have the permanence come more rapidly than we thought.

If the markets as a whole respond positively, if the economy as a whole responds positively, what does that do to tax revenue? It increases tax revenue so we can begin to have enough dollars to deal with the challenges of the expenditure side.

I am a member of the Appropriations Committee. I remember attending the conference on the final appropriations bill—not this year because this year we did not get one until the new Congress convened; we did not have a final conference at the end of the last Congress. It was the final conference the year before where Senator STEVENS came in and said this is the number that we have all agreed on for total appropriations and expenditures. It was substantially higher than the number where we began. He laid it on the table and said: This is the number. Even though it is significantly higher than we thought we would have and expenditures more than we thought, this is

where we will be. Mr. OBEY, the ranking member on the House side, said that number is not high enough.

The number was a very significant increase over the previous year, substantially more than the growth in the population, substantially more than any inflation, but that became the number. We finally passed it this way in order to get out, and then we started the next year.

At that period, Democrats were in charge of this Chamber and the spending went up significantly from that number. That is the new baseline. We have seen in this Congress attempts made to take that baseline even higher.

The most significant thing the President had to say about our long-term economic health in last night's speech had nothing to do with the tax proposals. The most significant thing he had to say is: My budget will hold the spending increase to 4 percent. If we can hold the spending increase to 4 percent after years of 7 percent and 9 percent, one on top of the other, to establish a very high baseline for further increases, it will be something of a miracle. But it will be far more important than all of the other rhetoric we have heard on the tax side. If we can't get the spending under control, we cannot under any circumstances raise the taxes to cover it. That is a fundamental truth that we should remember over and over again.

In concluding, I repeat something I have said here many times, but I have discovered in the Senate there is no such thing as reputation. Everything is said as if it is brand new. But it is a fundamental truth we should understand over and over again. Money does not come from the budget. Money does not come from legislation. Money comes into the Government from the productivity of the American economy. If we can make the economy strong, if we can make the economy grow, we will have the tax dollars that we need to pay for our expenditures. If we ignore the health of the economy and then get carried away with our desire to increase our expenditures, we will end up in fulfillment of the dire predictions we are hearing. That is not what the President is proposing, but what some of his opponents are proposing. I think the President was responsible in his first speech last night on the domestic economy. We ought to pay attention and act accordingly.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

TERRORISM

Mr. GREGG. Mr. President, I rise to continue the discussion which was obviously laid forth last night in definitively strong terms by the President of the United States on the issue of our national defense and how we address the terrorism and the linkage between terrorism and the Iraqi situation. The

response to the President has been interesting. From some of my colleagues on the other side of the aisle, and others, it has been said that the President is too bellicose. In fact, I understand today that Senator KENNEDY will bring forth a resolution which will essentially say that. Certainly we have heard from Members of the self-proclaimed peace movement, that is the case.

However, the President made a strong statement of facts that we as a nation are at risk. It is ironic that the Members who may subscribe to this self-proclaimed peace movement which might better be defined as an appeasement movement, that they appear to ignore the fact we are already at war. Approximately 3,000 people died in New York; hundreds died here in Washington; over 100 died on a plane in Pennsylvania; men were killed on a ship, the USS *Cole*, a U.S. military ship, in Yemen; Americans were killed at two embassies in Africa. We are at war.

The representation that we should not fight that war with all our resources and all our capabilities is, I believe, inappropriate.

How do you link Iraq into this war? If this were a period of the 19th century or even large portions of the 20th century, you would not worry about Iraq. You probably would not even worry about al-Qaida. They would be, in the case of Iraq, a government of a petty despot; in the case of al-Qaida, a group of Iraqi murderers. The difference today is that this petty despot and these petty murderers have in their possession or may gain the possession of weapons which can kill not hundreds but can kill tens of thousands of people, weapons which would be used, undoubtedly, against Americans. They intend America harm.

They have shown that in their attacks to date where Americans have died. The President, as our Commander in Chief and the leader of our Nation and the leader of the free world, is unquestionably correct in pursuing the individuals who possess those weapons and who might use them or the individuals who might seek those weapons and use them across the globe.

There is absolutely no question but that Iraq possesses weapons of mass destruction, biological and chemical, and that it has an intention to obtain nuclear weapons. There is also virtually no question, at least among anyone willing to look at the facts, that Iraq is in communication with our enemies in al-Qaida.

The idea we should subjugate our national security to others is also one that I find inherently difficult to defend. Paris was not attacked. Berlin was not attacked. New York City was attacked. It is our national security, America's national security, that is at risk.

The President has made it abundantly clear that his purpose is to defend the homeland. He has every

right—in fact, he has every obligation—to do that and to accomplish it. I believe he has laid out a case that, year in and year out, the Iraqi Government, led by a despot of inordinate inhumanity, who has killed thousands, who has used weapons of mass destruction, who has used gas on his own people, who has tortured, raped, and murdered his opposition—that that Government represents an imminent threat to us as a nation and to our allies. Until that Government disarms, it remains such a threat.

We have sought to disarm Iraq for 12 years through a process of inspections guided by the United Nations resolutions. At every turn, Iraq has essentially gamed the process and has retained its capacity to kill while denying that it has such capacity.

At every turn, it has obfuscated and attempted to subvert the efforts of the inspectors, denying them access, just in the most recent weeks, to legitimate needs that they have as inspectors, of overflights, of access to the scientists who produce the weapons of mass destruction, of accurate accounting of where the weapons are that we know are in existence, where the anthrax is, where the VX gas is, where the delivery systems are for those weapons.

There was another period in history when we confronted a time such as this, and that was in the late 1930s to the run-up to World War II. During that period, once again people of good intention said: Give Adolf Hitler a chance. Give him the benefit of the doubt. Appease him. Try to work with him. Neville Chamberlain, in his famous flight to Munich, attempted to accomplish that.

But with people such as Adolf Hitler, with people such as Saddam Hussein, you do not reason in a Western, rational way; you do not reach accommodations, because their purpose is not to accommodate; their purpose is to use their power aggressively and in a manner which will harm the people we consider our allies, and which may harm ourselves, our Nation.

So it is naive of us to presume we are going to succeed here if we follow such a course. We should look to history to confirm that naivete. The President has outlined a definitive purpose for our Nation and for the world. It is that we protect the rights of free nations to defend themselves from despots who have weapons of mass destruction and terrorists who would use such weapons to kill thousands of innocent people. We have that right. His words that “the liberty we prize is not America's gift to the world but is God's gift to humanity” ring with incredible accuracy and truth. We, as a nation have an obligation to protect that liberty.

Hopefully, working with the United Nations, we will be able to develop the coalitions necessary to accomplish that. It would still be appropriate to do it in a peaceful way. But that is not our call. We do not have the offense on that issue. Saddam Hussein's govern-

ment has the offense on that issue. If they wish to proceed in a peaceful way to disarm, that course is sitting there for them. But they have shown no inclination to do that. In fact, just the opposite has been the course they have decided to pursue—one of obfuscation, one of deceit, one of continued commitment to possess and potentially use these weapons which kill thousands of people, innocent people, weapons which they have used in the past.

When the President calls our Nation together and asks us as a society to join to protect ourselves and to protect the liberty which God has gifted to humanity, I believe we have an obligation to follow and to respect that call. This Congress has voted twice, once under President Clinton and once under President Bush, to empower the President to use the necessary force, to take the necessary action to protect our Nation and to protect the liberty of the world. This President has stepped up to that charge. If he had failed to step up to that charge, he would not be doing his job as Commander in Chief and as President. I believe this Congress has an equal obligation to step up to that charge.

I hope as we move down this road, we will move united and recognize that this is a time when it falls on all of us to support the defense of freedom and liberty as defined by the President in his extraordinary speech last night.

Madam President, I reserve the remainder of our time, yield the floor, and make a point of order that a quorum is not present.

The PRESIDING OFFICER (Ms. MURKOWSKI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CORZINE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE STATE OF THE UNION SPEECH

Mr. CORZINE. Madam President, I will speak a little bit on part of the main topic the President talked about last night, where we heard President Bush eloquently address America's challenging agenda—an agenda of war and peace, of health care, and the American economy.

In fact, as it relates to the economy, he said our first goal is clear, that we must have an economy that grows fast enough to employ every man and woman who seeks a job. He suggested that we work to have a prosperity that is broadly shared. I am certain his rhetoric resonated well with the American people. It sounds good.

Today, I want to talk not about the rhetoric of the President's address but of the reality of the policies that have both been implemented and the purposes and possibilities of the policies he has laid on the table, which he suggests would turn our economy around and meet those lofty objectives.